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**N E W S R E L E A S E**

**Michael White-ABIA Report Flat Bank Annuity Fee Income in 2009**

**FOR IMMEDIATE RELEASE** – Radnor, PA, and Washington, DC, April 23, 2010 – Income earned from the sale of annuities at bank holding companies (BHCs) rose 0.5% from \$2.61 billion in 2008 to \$2.62 billion in 2009, according to the *Michael White-ABIA Bank Annuity Fee Income Report*<sup>™</sup>.

Compiled by Michael White Associates (MWA) and sponsored by American Bankers Insurance Association (ABIA), the report measures and benchmarks the banking industry’s performance in generating annuity fee income. It is based on data from all 7,247 commercial and FDIC-supervised banks and 913 large top-tier bank holding companies operating on December 31, 2009.

Of the 913 BHCs, 391 or 42.8% participated in annuity sales activities during the year. Their \$2.62 billion in annuity commissions and fees constituted 13.0% of their total mutual fund and annuity income of \$20.17 billion and 17.5% of total BHC insurance sales volume (i.e., the sum of annuity and insurance brokerage income) of \$14.96 billion. Of the 7,247 banks, 985 or 13.6% participated in annuity sales activities. Those participating banks earned \$824.2 billion in annuity commissions or 31.5% of the banking industry’s total annuity fee income.

**TOP 10 BANK HOLDING COMPANIES IN ANNUITY FEE INCOME  
YEAR-END DECEMBER 31, 2009  
Nationally**

RANK	YTD ANNUITY INCOME		PERCENT CHANGE 2008 - 2009	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	2009	2008					
<b>(ALL DOLLAR AMOUNTS IN THOUSANDS)</b>							
1	\$678,000	\$118,000	474.58%	WELLS FARGO & COMPANY	CA	\$1,243,602,000	1.63%
2	\$328,000	\$363,000	-9.64%	JPMORGAN CHASE & CO.	NY	\$2,029,659,000	0.68%
3	\$253,000	N/A	N/A	MORGAN STANLEY	NY	\$771,453,000	1.11%
4	\$251,828	\$145,893	72.61%	BANK OF AMERICA CORP.	NC	\$2,217,711,899	0.40%
5	\$121,284	\$69,501	74.51%	PNC FINANCIAL SERVICES GROUP	PA	\$269,921,958	1.54%
6	\$93,532	\$109,499	-14.58%	REGIONS FINANCIAL CORP.	AL	\$142,354,415	2.66%
7	\$80,455	\$123,835	-35.03%	SUNTRUST BANKS, INC.	GA	\$174,166,407	2.23%
8	\$66,000	\$100,000	-34.00%	U.S. BANCORP	MN	\$281,176,000	0.79%
9	\$60,725	\$56,420	7.63%	KEYCORP	OH	\$92,400,254	3.32%
10	\$46,074	\$45,942	0.29%	BB&T CORPORATION	NC	\$165,764,218	1.32%

Source: *Michael White-ABIA Bank Annuity Fee Income Report*

Sixty-eight percent (68%) of BHCs with over \$10 billion in assets earned annuity commissions of \$2.48 billion, constituting 94.7% of total annuity commissions reported. This was an increase of 1.2% from \$2.45 billion in annuity fee income in 2008. Among this asset class of largest BHCs, annuity commissions made up 15.7% of their total mutual fund and annuity income of \$15.84 billion and 17.6% of their total insurance sales volume of \$14.11 billion, the highest proportion of insurance sales volume of any asset class.

BHCs with assets between \$1 billion and \$10 billion recorded a decrease of 9.8% in annuity fee income in 2009, declining from \$129.4 million in 2008 to \$116.7 million and accounting for 2.7% of their mutual fund and

annuity income of \$4.32 billion, the lowest proportion of investment sales of any asset class. BHCs with \$500 million to \$1 billion in assets generated \$21.9 million in annuity commissions in 2009, down 15.2% from \$25.8 million the year before. Only 35.4% of BHCs this size engaged in annuity sales activities, which was the lowest participation rate among all BHC asset classes. Among these BHCs, annuity commissions constituted the smallest proportion (13.6%) of total insurance sales volume of \$160.7 million.

Wells Fargo & Company (CA), JPMorgan Chase & Co. (NY), new BHC Morgan Stanley (NY), Bank of America Corporation (NC), and The PNC Financial Services Group, Inc. (PA) led all bank holding companies in annuity commission income in 2009. Wells Fargo, Bank of America and PNC benefited from their respective acquisitions of Wachovia Corp., Merrill Lynch and National City Corp. Among BHCs with assets between \$1 billion and \$10 billion, leaders included Stifel Financial Corp. (MO), Hancock Holding Company (MS), and NewAlliance Bancshares, Inc. (CT). Among BHCs with assets between \$500 million and \$1 billion, leaders were First Citizens Bancshares, Inc. (TN), CCB Financial Corporation (MO) and Codorus Valley Bancorp, Inc. (PA).

The smallest community banks, those with assets less than \$500 million, were used as “proxies” for the smallest BHCs, which are not required to report annuity fee income. Leaders among bank proxies for small BHCs were Vantage Point Bank (PA), FNB Bank, N.A. (PA) and Sturgis Bank & Trust Company (MI).

Among the top 50 BHCs nationally in annuity concentration (i.e., annuity fee income as a percent of noninterest income), the mean Annuity Concentration Ratio was 8.5%. Among the top 50 small banks in annuity concentration that are serving as proxies for small BHCs, the mean Annuity Concentration Ratio was 22.7% of noninterest income. Among the top 50 BHC leaders in annuity productivity (i.e., annuity income per BHC employee), the mean Annuity Productivity Ratio was \$2,775 per employee. Among the top 50 small banks in annuity productivity, the mean Annuity Productivity Ratio was \$4,574 per employee.

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The American Bankers Insurance Association (ABIA) is the separately chartered insurance affiliate of the American Bankers Association (ABA) and is the only Washington, D.C.-based full service association for bank insurance interests. The ABIA’s mission is to develop policy and provide advocacy for banks in insurance and to support bank insurance operations through research, education, compliance-assistance and peer group networking opportunities. ABIA Membership consists of banks, and their affiliated agencies, insurance companies, marketing, and administrative services suppliers, non-bank lending organizations and other firms involved in the bank affiliated insurance industry. Additional information on the ABIA can be found at [www.theabia.com](http://www.theabia.com).

Michael White Associates (MWA) is a bank insurance consulting firm headquartered in Radnor, PA, and at [www.BankInsurance.com](http://www.BankInsurance.com). The annual *Michael White-ABIA Bank Annuity Fee Income Report* and *Michael White-Prudential Bank Insurance Fee Income Report*<sup>™</sup> provide, respectively, comprehensive analyses of bank insurance brokerage and bank annuity commission income. Additionally, the *MWA Fee Income Ratings Reports*<sup>™</sup> compare, rank and rate a particular financial institution’s insurance or other noninterest fee income program nationally, regionally, statewide and in its asset-peer group. Copies of MWA reports can be ordered by calling (610) 254-0440, or by visiting [www.BankInsurance.com](http://www.BankInsurance.com).

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